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Cassis bill correcting unfair tax burden for caretakers of disabled residents signed into law

LANSING—A new law extends the six-mill, principal-residence exemption to a trust created for a disabled beneficiary, said state Sen. Nancy Cassis today. Disabled residents who wish to remain in their homes may transfer these and other assets to irrevocable trusts, which are often managed by parents, spouses or children.

Cassis, sponsor of Public Act 114 of 2006, said the former law created an unfair tax burden by making the home liable to the 18-mill, non-homestead tax designation.

“This is a victory for caretakers of disabled residents,” said Cassis, R-Novi and chair of the Senate Finance Committee. “They will now simply pay their fair share of taxes, rather than the unfair amount they did previously. By paying extra, they were drawing down the amount of money in their trusts too quickly.

“The homes of disabled residents will now correctly be considered their principal residence. The lower taxes paid on the trusts will allow more money from the trust to be used as it is intended, for the care of the individual.”

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